

**Staff's Revised Draft Proposed Methodology  
for Determining the Annual Revenue Requirement Under ORS 469A.100  
April 18, 2008**

(1) "Annual Revenue Requirement" is the amount produced from the following calculations:

(a) If the electric company is involved in a general rate proceeding that results in the Commission issuing a final order no later than January 1 of the compliance year and no earlier than [date] of the year preceding the compliance year, "annual revenue requirement" is the total revenue the Commission authorizes an electric company the opportunity to recover in Oregon rates in the final rate proceeding order, excluding amounts and costs in accordance with ORS 469A.100(3)(a) and (b).

(b) For a compliance year not involving a general rate proceeding under paragraph (1)(a) of this rule, "annual revenue requirement" is the amount produced by the following calculation:

(1) Calculate the operating revenues related to net power costs, the renewable adjustment clause, updates for base rate changes relating to automatic adjustment clauses, adjustments for electric company load changes, and other adjustments ordered by the Commission, authorized subsequent to the most recent general rate proceeding; and

(2) To the amount calculated under paragraph (1)(b)(1) of this rule, add the product of:

(i) The total operating revenues authorized in the most recent general rate proceeding, reduced by the amount of operating revenues related to energy efficiency programs, low income energy assistance, the incremental cost of compliance, unbundled renewable energy certificates, alternative compliance payments, and net power costs in the general rate proceeding; and

(ii) The ratio of the compliance year forecasted load to the load from the most recent general rate proceeding; and

(3) Exclude from the sum calculated under paragraph (1)(b)(2) of this rule the amounts and costs set forth under ORS 469A.100(3)(a) and (b).

(2) For a compliance year under paragraph (1)(b) of this rule, each electric company that is subject to a renewable portfolio standard in the following calendar year pursuant to ORS 469A.052 or 469A.055 must file its proposed annual revenue requirement for the following compliance year on or before November 15, 2010, and annually thereafter.

(3) On or before December 1, 2010, and annually thereafter, each electric company must amend its filing made pursuant to section (2) of this rule for any updated renewable adjustment clause filing and retail electricity consumer loads that will be served through direct access in the compliance year.

(4) For a compliance year involving a general rate proceeding under paragraph (1)(a) of this rule, the electric company must make a compliance filing by December 1 in the year preceding the compliance year or 14 days from the issuance date of the Commission's final order in the general rate proceeding, whichever is later. The compliance filing must calculate the total revenue the Commission authorized the electric company the

opportunity to recover in Oregon rates in the final rate proceeding order, less amounts and costs in accordance with ORS 469A.100(3)(a) and (b).

(5) If the general rate proceeding does not use a test year that is reasonably representative of the compliance year, the Commission may require the compliance filing the electric company makes under section (4) include updates to the information required for the annual revenue requirement calculation, including, but not limited to, the information required under paragraph (1)(b) of this rule. The Commission may further require that the compliance filing made under section (4) include an update in accordance with section (3) of this rule.